

PROPOSAL

Evaluation of ex-USS Kittiwake (ASR-13) for the Presence of PCB's

EPI Proposal No. 2007080801-R4

Prepared for:

Ms. Nancy Easterbrook

Kittiwake Project Manager

Cayman Islands Tourism Association

Cayman Islands, BWI



20 December 2007

Prepared by:

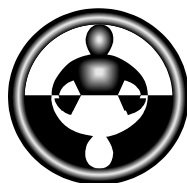
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20 December 2007

Ms. Nancy Easterbrook
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Cayman Islands Tourism Association
P.O. Box 31086 SMB
73 Lawrence Boulevard, Islander Complex
Grand Cayman, Cayman Islands, BWI

***Re: Evaluation of the ex-USS Kittiwake (ASR-13) for the Presence of PCB's
EPI Proposal No. 2007080801-R4***

Dear Ms. Easterbrook:

Pursuant to your request, EPI is pleased to provide this proposal to perform a post-remedial evaluation for the presence of PCB's aboard the referenced vessel. We understand that the evaluation will be performed subsequent to the remediation of shipboard locations where PCB's have either been identified or presumed in concentrations greater than 50 parts per million. We also understand that remediation activities will be performed and managed by other entities, and that such entities have demonstrated prior experience in performing remediation similar in size and scope to that anticipated aboard the ex-USS Kittiwake.

Background

Paint

Paint samples were collected in 2006 from 121 locations aboard the vessel and analyzed for PCB content. Laboratory analysis revealed that only one of the 121 paint samples contained PCB's in excess of 50 parts per million (ppm). This sample, #67, was located in Main Propulsion, lower STBD side, location B-204-E, Fr. 79. Subsequent sampling performed in the vicinity of #67 in 2007 also indicated PCB concentrations in excess of 50 ppm.

The Cayman Islands Tourism Association (CITA) has provided to the US Maritime Administration (MARAD) a plan to remediate the area on and adjacent to the surfaces where sample #67 in 2006 and subsequent samples in 2007 were obtained.

Suspected PCB Items and Articles

A complete visual inspection of the vessel will be performed to ascertain the presence of suspect PCB articles or materials, including but not limited to electrical components as per the list of such materials in the National Guidance; Best management Practices for Preparing Vessels Intended to Create Artificial Reefs (BMP Guidance) May 2006 (found at 71 FR 27716).

Purpose

The purpose of the work described in this proposal shall be:

- To perform post-remediation sampling for the presence of PCB's on and around the location of sample #67 and use the results of laboratory analysis to determine whether the remediation was successful.
- To obtain samples from coated surfaces at locations throughout the vessel for additional verification that such surfaces or surface coatings do not contain PCB's at concentrations greater than or equal to 50 ppm.
- Visually inspect the entire vessel to ascertain the presence of suspect PCB articles or materials.

SCOPE OF SERVICES

We propose to complete the third party evaluation as described above by means of five components; 1) document review, 2) sampling protocol development, 3) on-site inspection and sample collection, and 4) preparation of report of findings, and 5) final visual inspection. The details of each component are as follows:

Component 1: Document Review

Available documentation will be reviewed to determine the history of the vessel with respect to this reefing project. Documentation may include ship's plans, the PCB sampling plan, PCB inspection reports, PCB remediation plans, and PCB remediation reports.

Component 2: Sampling Protocol Development¹

Based on the document review, an inspection strategy and sampling protocol will be developed for evaluating the effectiveness of vessel-wide PCB remediation. The protocol will specify information including but not limited to:

- The process for selecting the number of samples, sample locations, and, sample dimensions and sample size (if applicable),
- The process for selecting alternate sample locations,
- A diagram of proposed sampling locations,
- Decontamination process for re-usable sampling equipment,
- Waste and trash handling procedures,
- Field QA/QC procedures, including duplicates, splits, and blanks,
- The approved analytical method, and
- The criteria for classifying a sample result as a negative finding.

We understand that the sampling protocol may require review and/or approval by Government agencies, and that such review may be performed beyond the control of the CITA.

¹ This portion of the work has been completed. A copy of the sampling plan has been included as Attachment 1 to this proposal.

Component 3: Vessel Inspection and Sample Collection

EPI will inspect the vessel and obtain bulk samples from painted surfaces to determine the presence and/or concentrations of PCB's in the painted surfaces of the vessel. Particular emphasis will be placed on sampling for the presence of PCB's at and around the location of paint sample #67, which was previously identified as containing greater than 50 ppm PCB.

The exact number of samples to be collected from the vessel cannot be sufficiently determined at this time. However based on information presently available, we anticipate that approximately 120 sample locations will be utilized, and that at least six (6) bulk samples will be collected from around the identified PCB "hot spot" located in the machinery space. The bulk samples will then be forwarded to an accredited laboratory for analysis of PCB content.

The fees associated with Step 3 are based on two full-day site visits to the project site by two inspectors. Estimated fees also include travel-related expenses for two visits to the project site. Cost estimates for Step 3 do not include laboratory fees associated with sample analysis.

Component 4: Final Visual Inspection

Following successful post-remedial testing (as described in Items 1 through 3) above, a final, third-party visual inspection of the vessel will be performed. The scope of this visual inspection shall be to ascertain the presence of suspect PCB articles or materials as per the BMP Guidance document. If they are found, suspect PCB articles or materials will be identified by type and location and then inventoried for review. A report will be prepared detailing the procedures and findings of the inspection, along with recommendations for the client's consideration.

Component 5: Preparation of Report

A report of findings will be prepared upon receipt of test results. The report will detail the purpose, methods, findings, and conclusions of the visual inspection and bulk sampling.

ITEMS NOT INCLUDED

1. Fees for the laboratory analysis of wipe samples and/or bulk samples.
2. Analysis of materials other than paint samples for the presence of PCB's.
3. Travel expenses to locations other than the anticipated mooring site of the vessel (Dominion Marine Shipyard, 425 Campostella Road, Norfolk, Virginia).
4. In-depth evaluation of complex environmental issues that were not initially communicated to EPI or are discovered after initiating the evaluation could require a change to the scope of services. EPI will identify any such issues and present them to the client before conducting any additional work.

CHANGES TO SCOPE OF SERVICES

Any changes requested to the scope of services above will be subject to cost renegotiation.

FEES AND PAYMENTS

Components 1 and 2: Doc. Review and Protocol Development . \$1,560.00 Fixed Price
Component 3*: Vessel Inspection + Travel\$11,755.00 Estimated
Component 4: Final Visual Inspection\$7,250.00 Estimated
Component 5: Preparation of Final Report.....\$1,560.00 Estimated
Total of Items 1, through 5\$22,125.00 Estimated

* Estimated fees for Step 3 do not include the cost of analysis for PCB wipe/bulk samples.
The estimated cost of analysis for PCB wipe/bulk samples is \$125.00/sample.

Travel time will be billed at ½ of the quoted hourly rate. All reimbursables, including but not limited to such items as travel expenses, reproductions, messenger services, telefacsimiles, long distance telephone calls, and applicable sales taxes, will be billed at cost. Subcontracted work, though not anticipated, will be billed at cost plus 10%. This proposal is based on current salaries and operational costs. If work under this proposal is not completed within six months from the date of the proposal, EPI reserves the right to adjust the fees to reflect current costs.

Our invoice will be based on the work completed at the following hourly rates for employees working on the project:

Principal/Certified Industrial Hygienist/Safety Professional	\$245.00/hour
Project Supervisor/Certified Industrial Hygienist	\$195.00-\$245.00/hour
Project Manager/Industrial Hygiene Technician.....	\$145.00/hour
HSE (Health, Safety, and Environmental) Associate.....	\$95.00-\$105.00/hour
Graphic/Photograph/Video/Administrative Support	\$55.00-\$65.00/hour
Document Management	\$60.00/hour

While CITA shall be responsible for payment of services to EPI, the services being provided by EPI are for the legislative bodies of the Kittiwake Project, namely the Cayman Islands Department of the Environment, the US EPA, and MARAD. We understand the role of the CITA is solely to facilitate ship visits, liaise with legislators, and to approve contracts or make payments for services rendered.

PROJECT SCHEDULE

While no project timeline has been established, we understand that the scheduling of our work may be influenced by factors beyond our control. Notwithstanding, we shall make every effort to comply with delivery dates established by the client. The final report for the vessel evaluation will be completed within two weeks of receipt of final laboratory analysis.

RECORD RETENTION

EPI has no responsibility to retain any files, drawings or documents in connection with this project after one year from completion of project. At that time, all files, drawings, and documents may be destroyed unless requested by the client or the client's representative.

REFERENCES

We invite you to contact the following individuals who can attest to our experience and qualifications:

Stuart Perry
U.S. Environmental Protection Agency
TSCA Coordinator, Region III
Atlanta, GA
(404) 562-8980

Carolyn E. Junemann, Ph.D.
U.S. Department of Transportation, Maritime Administration
400 Seventh St. SW, Room 7209
Washington, DC 20590
Phone: (202) 366-1920

Spencer Slate
Captain Slate's Atlantis Dive Center
51 Garden Cove Drive
Key Largo, FL 33037
Phone: (305) 451-3020

LIMITATION OF LIABILITY

EPI's maximum obligation and/or liability to client, except insofar as EPI may be liable for its own negligent acts or those of its employees, for all claims, actions, damages or expenses arising out of, or in any way related to the provision of services under this agreement (including, but not limited to, an alleged breach of this agreement or an alleged breach or warranty) shall not exceed the total compensation due EPI under this proposal.

SUMMARY

If this proposal is satisfactory, please sign in the space provided and return one copy to our office. The terms of this proposal shall be null and void if not accepted with 30 days, unless officially extended in writing.

Sincerely,

Marc J. Plisko, CIH
Project Manager

MJP/mjp

ACCEPTANCE

The proposal description of professional services and terms are satisfactory and are hereby accepted. Authorization to proceed with the work is granted.

Company: _____

Name: _____

Title: _____

Signature: _____

Date: _____